

ATTACHMENT B

"Society for Worldwide Interbank Financial Telecommunication," found on the internet at
http://en.wikipedia.org/wiki/Society_for_Worldwide_Interbank_Financial_Telecommunication

Society for Worldwide Interbank Financial Telecommunication

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The Society for Worldwide Interbank Financial Telecommunication ("SWIFT") operates a worldwide financial messaging network. Messages are securely and reliably exchanged between banks and other financial institutions. SWIFT also markets software and services to financial institutions, much of it for use on the SWIFTNet Network, and ISO 9362 bank identifier codes are popularly known as "SWIFT codes".

The majority of international interbank messages use the SWIFT network. As of April 2006 SWIFT linked almost 8,000 financial institutions^[1] in 205 countries. SWIFT does not facilitate funds transfer. Financial institutions would need a corresponding banking relationship for financial transactions.

SWIFT is a cooperative society under Belgian law and it is owned by its member financial institutions. SWIFT has offices around the world. SWIFT headquarters are located in La Hulpe, Belgium, near Brussels.

It was founded in Brussels in 1973, supported by 239 banks in 15 countries. It started to establish common standards for financial transactions and a shared data processing system and worldwide communications network. Fundamental operating procedures, rules for liability etc., were established in 1975 and the first message was sent in 1977.

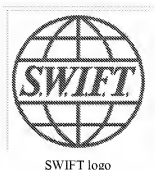
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SWIFT Interfaces

SWIFT provides turn-key solutions for members, consisting of linkage clients to facilitate connectivity to the SWIFT network and CBTs or 'computer based terminals' which members use to manage the delivery and receipt of their messages. Some of the more well-known CBTs provided to their members are:

- SWIFTNet Link (SNL).



- SWIFT Alliance Access/Entry (SAA/SAE)
- SWIFT Alliance Workstation (SAW)
- SWIFT Alliance Gateway (SAG)
- SWIFT Alliance Starter Set (SAS)
- SWIFT Alliance Webstation (SAB)
- SWIFT Alliance Messenger (SAM)

SWIFT Services

There are four key areas that SWIFT services fall under within the Financial marketplace, Securities, Treasury & Derivatives, Trade Services and Payments & Cash Management.

Securities	Treasury & Derivatives	Cash Management	Trade Services
<ul style="list-style-type: none"> ■ SWIFTNet FIX ■ SWIFTNet Data Distribution ■ SWIFTNet Funds 	<ul style="list-style-type: none"> ■ SWIFTNet Accord ■ SWIFTNet Affirmations ■ SWIFTNet CLS Third Party Service 	<ul style="list-style-type: none"> ■ SWIFTNet Bulk Payments ■ SWIFTNet Cash Reporting ■ SWIFTNet Exceptions and Investigations 	<ul style="list-style-type: none"> ■ SWIFTNet Trade Services Utility

SWIFT also offer a secure person-to-person messaging service, SWIFTNet Mail, which went live on 16 May 2007.^[2] SWIFT clients can configure their existing email infrastructure to pass email messages through the highly secure and reliable SWIFTNet network instead of the open Internet. SWIFTNet Mail is intended for the secure transfer of sensitive business documents, such as invoices, contracts and signatories, and is designed to replace existing telex and courier services, as well as the transmission of security-sensitive data over the open Internet. Eight financial institutions, including HSBC, First Rand Bank, Clearstream, DnBNOR, NedBank, Standard Bank of South Africa and Bear Stearns, as well as SWIFT piloted the service.^[3]

SWIFTNet Network

SWIFT moved to its current IP Network infrastructure, known as SWIFTNet, in 2003, providing a total replacement of the previous X.25 infrastructure. The process involved the development of new protocols that facilitate efficient messaging, using existing and new message standards. The adopted technology chosen to develop the protocols was XML, where it now provides a wrapper around all messages legacy or contemporary. The communication protocols can be broken down into:

InterAct	FileAct	Browse
<ul style="list-style-type: none"> ■ SWIFTNet InterAct Realtime ■ SWIFTNet InterAct Store and Forward 	<ul style="list-style-type: none"> ■ SWIFTNet FileAct Realtime ■ SWIFTNet FileAct Store and Forward 	<ul style="list-style-type: none"> ■ SWIFTNet Browse

Architecture

Basically, SWIFT provides a centralized store-and-forward mechanism, with some transaction management. For bank A to send a message to bank B, it formats the message according to standard, and securely sends it to SWIFT. SWIFT guarantees its secure and reliable delivery to B. SWIFT guarantees are based primarily on high redundancy of hardware, software, and people.

SWIFT Phase 2

Throughout 2007, the entire SWIFT Network will be switching its infrastructure to a new protocol called SWIFT Phase 2. The main difference between Phase 2 and the current arrangement is that Phase 2 will require banks connecting to the network to use a Relationship Management Application (RMA) instead of the present Bilateral Key Exchange (BKE) system. According to SWIFT's public information database on the subject, RMA software should eventually prove more secure and easier to keep up-to-date; however, converting to the RMA system also means that thousands of banks around the world will have to update their international payments systems in order to comply with the new standards. Currently, only one bank hasn't been able to update their systems to use this new SWIFT software.

Terrorist Finance Tracking Program

A series of articles published on June 23, 2006, by *The New York Times*, *The Wall Street Journal* and *The Los Angeles Times* revealed that the Treasury Department and the CIA, United States government agencies, had a program to access the SWIFT transaction database after the September 11th attacks called the Terrorist Finance Tracking Program.^[4]

See also

- Value transfer system
- ISO 9362, the SWIFT/BIC code standard
- ISO 15022
- Electronic money
- Organization for Economic Cooperation and Development (OECD)
- Bilateral key exchange and the new Relationship Management Application (RMA)
- MA/CUG

References

1. ^ "SWIFT - About SWIFT (http://www.swift.com/index.cfm?item_id=43232)", SWIFT, 2006-10-27.
 2. ^ SWIFTNet Mail now available (http://www.swift.com/index.cfm?item_id=61929)
 3. ^ SWIFTNet Mail pilot phase underway (http://www.swift.com/index.cfm?item_id=61132)
 4. ^ "Belgian PM: Data Transfer Broke Rules (<http://www.washingtonpost.com/wp-dyn/content/article/2006/09/28/AR2006092800585.html>)", Washington Post, 2005-09-28.
- EU concern at US data transfers (<http://news.bbc.co.uk/2/hi/europe/6315893.stm>) BBC News 2007-01-31
 - EU press release Swift Affair: European Data Protection Authorities joining efforts

(http://ec.europa.eu/justice_home/fsj/privacy/news/docs/PR_Swift_Affair_28_07_06_en.pdf)

External links

- Official SWIFT website (<http://www.swift.com/>)
- WIFE: Open Source Java based library for SWIFT messages processing (<http://wife.sf.net/>)
- SWIFT codes search (http://www.swift.com/biconline/index.cfm?fuseaction=display_freesearch)
- SWIFT Formatting Guide (http://www.ubs.com/1/ShowMedia/bank_for_banks/offering/download?contentId=28371&name=SWIFT_ForGuiMee_e4GzD.pdf)
- SWIFT logo, SVG format by Artur Sá Menezes (Artursamenezes) - (from The SWIFT Globe publication, http://www.swift.com/index.cfm?item_id=57176 (http://commons.wikimedia.org/wiki/Image:SWIFT_logo.svg)

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